



1526 K Street, Suite 400
P.O. Box 94816
Lincoln, NE 68509-4816
Phone 402-471-2053
Toll Free 800-245-5712
Fax 402-471-9493
npers.ne.gov

PUBLIC EMPLOYEES RETIREMENT BOARD MEETING

February 22, 2021

9:30 A.M.

A regular meeting of the Public Employees Retirement Board (PERB) convened at 9:31 a.m., Monday, February 22, 2021, via WebEx services.

The Board members were notified of this meeting by Agenda posted on the PERB SharePoint website on Friday, February 12, 2021. Public notice of this meeting was published in the Lincoln Journal Star and Omaha World Herald on Monday, February 15, 2021. J. Elliott chaired the meeting and T. Cummings recorded the minutes.

MEMBERS PRESENT:

JANIS ELLIOTT, CHAIR
KELLI ACKERMAN, VICE-CHAIR
PAM LANCASTER
JIM SCHULZ
MIKE JAHNKE
ALLEN SIMPSON
MICHAEL WALDEN-NEWMAN, EX-OFFICIO

NONMEMBERS PRESENT:

RANDY GERKE Director	DEAN GRESS Senior IT Applications Developer
ORRON HILL Legal Counsel/Deputy Director	MARIA DAVIS Retirement Specialist II
TERESA ZULAUF Controller	MITCH SNYDER Retirement Specialist II
TIM BAKER Internal Auditor	CHARLES WAITY IT Business Systems Analyst
JACK HARDY Information Technology Manager	KATE ALLEN Retirement Committee Legal Counsel
MELISSA NUSS Retirement Plan Manager	NANCY REIMER Ameritas
TYLER CUMMINGS Retirement Plan Manager	JOSH RUHNKE Ameritas
HEATHER CRITCHFIELD-SMITH Education Services Manager	PAT BECKHAM Cavanaugh Macdonald
JOHNETTA LANG Data Services Manager	NEIL SULLIVAN State Budget Office
VICKI HUBER Personnel Officer	BILL BIVEN Legislative Fiscal Office

ERIC ASBOE
Nebraska Supreme Court

CINDY JANSSEN
State Auditor's Office

Agenda Item 1: J. Elliott stated this meeting will follow the Nebraska Open Meetings Act and a copy of the Act is provided electronically, via a link on the final agenda posted on the Nebraska Public Employees Retirement Systems' (NPERS) website, and on the Attorney General's website.

Agenda Items 2 and 3 – Meeting Called to Order: J. Elliott called the February 22, 2021, Board Meeting to order at 9:31 a.m. Present at meeting: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, A. Simpson, and M. Walden-Newman. Absent: None.

Agenda Item 4 – Approval of Minutes: P. Lancaster moved for approval of the minutes of the January 25, 2021, Board Meeting. Motion was seconded by K. Ackerman. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

Agenda Item 5 – Approval of Budget Status Report & January Retirement Report:

K. Ackerman moved to approve the Budget Status Report and the January 2021 Retirement Report. Motion was seconded by M. Jahnke. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

Agenda Item 6 – Public Comments or Correspondence from Citizens: There were no public comments or correspondence from citizens with business not scheduled on the agenda.

Agenda Item 7 – School, Judges, and Patrol Audit Report: Cindy Janssen, from the State Auditor's Office, presented the School, Judges, and Patrol Audit Report. She reported there was one finding in the audit report which was provided to NPERS management. The audit finding was related to an incorrect death refund for a Patrol member who died in March 2020. Previously in 2017, a qualified domestic relations order (QDRO) was processed for this member. In this case, the QDRO was calculated incorrectly. A QDRO is an order which splits the retirement benefits of a member's account and awards a portion to the alternate payee. The alternate payee did not receive the full credit (around \$26,000) due to the miscalculation. When the member passed away in March of 2020, his beneficiary was paid the amount that should have been credited to the alternate payee. Ultimately, the beneficiary returned the money to NPERS. C. Janssen stated this situation highlights the importance of the manual calculations and the importance of the person who audits the original calculation.

C. Janssen stated if an agency has a finding in the audit report, the agency is required to notify the State Auditor's office on the correction actions that have taken place on any findings. During the next audit, the State Auditor's office would follow up on some of the findings. R. Gerke stated NPERS has taken this opportunity to highlight the importance of internal auditing on manual calculations.

R. Gerke stated there has been a written response to the audit report and another written response will be needed in six months.

P. Lancaster moved to approve the School, Judges, and Patrol Audit Report. The motion was seconded by A. Simpson. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

Agenda Item 8 – Legal/Legislative Update: O. Hill provided the Legal/Legislative Update. He stated the hearings on Legislative Bill (LB) 144, LB 145, LB 146, LB 147, and LB 582 will take place at 4 p.m. on February 23, 2021. These bills deal with the transition of administration of the Omaha School Employees Retirement System (OSERS) to NPERS. He stated neutral testimony will be provided for LB 146 and LB 147. Below is a summary of some of the proposed legislative bills:

- LB 144 is a placeholder bill in case modifications are needed in the 2022 Legislative session.
- LB 145 requires an audit and authorizes the PERB to look at other aspects of the transfer of management of OSERS.
- LB 146 modifies the definition of termination of employment to better define intermittent substitute service in the School plan.
- LB 147 is the transfer of management of OSERS to the PERB and sets out the timeline and processes for this transfer to occur.
- LB 582 adjusts the management of OSERS to set it up prior to how it was in 2016.
- LB 64 and LB 237 are both scheduled for hearing on February 25, 2021 and relate to taxation changes regarding Social Security benefits.
- LB 102 provides for the transfer of duties of clerks of the district courts to the clerk magistrates. The concern with this bill relates to the impact on withdrawal liabilities on County Cash Balance members.
- LB 184 allows State Patrol to have insurance premiums deducted from their retirement annuities. Currently, NPERS does not have the resources to implement this bill.
- LB 209 changes provisions relating to treatment of deferred compensation by certain political divisions. O. Hill stated the bill is currently worded in a way that cannot be implemented.
- LB 478 would adopt the Cities of the First Class Firefighters Cash Balance Retirement Act, which would create a separate plan that NPERS would administer.

There was discussion among the PERB regarding concerns with LB 184. The concern is this type of bill would eventually be applied to all the plans administered by NPERS. The PERB seems hesitant to process insurance premiums as this falls outside providing retirement benefits. NPERS also does not currently have the staff to administer this bill.

K. Ackerman moved to approve the Legal and Legislative Update. Motion was seconded by J. Schulz. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

Agenda Item 9 – Director’s Report: R. Gerke provided the Director’s Report.

- R. Gerke updated the PERB on P. Beckham’s presentation on the Experience Study and the School, Judges, and Patrol Audit to the Legislative Retirement Committee.
- The hearing for LB 17 was held since the last PERB meeting in which R. Gerke testified as a proponent.
- NPERS’ legislative budget hearing was on February 9, 2021 and R. Gerke submitted written testimony.
- R. Gerke reported fiscal notes have to be completed for some of the proposed legislative bills.
- He stated a draft of the Annual Report to the Legislature should be available next month.
- Viewership of the NPERS’ YouTube channel remains steady and the videos on the channel had 900 views in the last four weeks.
- A television will be installed in the lobby to play NPERS educational videos.
- School seminars and webinars are currently open for registration. So far, 162 members have signed up for the webinars and one-third of the in-person seminars have been filled. One of the evening webinars is one of the most registered webinars so far.
- Virtual office visits are going well, and 59 members have registered so far this year for the virtual office visits. Members have provided positive feedback for these virtual office visits.
- R. Gerke reported the death processing has a new software vendor to search for deceased members. This new software will decrease the time between the death and the time it is reported to NPERS. This should help stop benefit payments to deceased members as those payments will have to be reimbursed to NPERS.
- Information Technology (IT) continues to work on the online non-contributing form processes. IT is also testing online non-contributing forms for State plan members.
- There are currently two staff position openings. They are the Staff Assistant II and Retirement Specialist I positions.
- R. Gerke reported he has attended a few National Council on Teacher Retirement (NCTR) webinars which have mostly focused on the COVID-19 pandemic.
- NPERS received a positive response for the State plan IRS determination letter on February 8, 2021.
- O. Hill reported NPERS has not received an IRS determination letter from OSERS and is unsure if they have one or not. O. Hill stated the last School IRS determination letter for the NPERS School plan was in 2014.
- R. Gerke has reached out to the Governor’s office in regards to the two open PERB seats. R. Gerke does not have an update at this time.

P. Lancaster moved to approve the Director’s Report. Motion was seconded by A. Simpson. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

Agenda Item 10 – Board Committee Reports: J. Schulz provided a brief update for the Legislative Committee. He thanked O. Hill for his work for keeping the Committee updated on all the pertinent legislative bills. He reminded the PERB the OSERS bills will have hearings at 4:00 p.m. on February 23, 2021.

Agenda Item 11 – Board Education/Travel Requests: There were none.

Agenda Item 12 – Future Meetings/Agendas: The next PERB meeting is on Monday, March 15, 2021.

Agenda Items 13 and 14 – Executive Session: At 10:28 a.m., M. Jahnke moved that the Board exit Regular Session and convene in Executive Session for the purpose of discussing Case Review No. D-21-1 and Case Review No. D-21-2; Prevention of Needless Injury to the Reputation of an Individual. Motion was seconded by K. Ackerman. J. Elliott repeated the motion for the record. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

At 11:18 a.m., M. Jahnke moved the Board exit Executive Session and reconvene in Regular Session. Motion was seconded by P. Lancaster. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

M. Jahnke moved for approval of Case Review No. D-21-1 and Case Review No. D-21-2. P. Lancaster seconded the motion. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

Adjournment: K. Ackerman moved that the meeting adjourn. Motion was seconded by P. Lancaster. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

The meeting adjourned at 11:21 a.m.



Randy Gerke
Director